LALITH ATHULATHMUDALI MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND

TERMS OF REFERENCE (TOR)

FOR

Selection of an Actuarial Consultancy Firm to Conduct a Long-Term Financial Sustainability Assessment for the Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund over a Twenty-Five (25)-Years.

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Bid No:……..

MINISTRY OF TRADE, COMMERCE, FOOD SECURITY AND COOPERATIVE DEVELOPMENT

No. 492, R.A. De Mel Mawatha
Colombo 03

November 2026

1.0. Background

The Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund (LAMHESTF) administers the Mahapola Higher Education Scholarship Programme, which provides financial assistance to eligible undergraduate students enrolled in State Universities and other recognized Higher Education Institutions in Sri Lanka.

The Mahapola Scholarship Programme is one of the largest student financial assistance programmes in Sri Lanka and represents a significant national investment in higher education and human capital development. Scholarships are provided on a monthly basis to eligible students based on allocations approved annually.

The Trust Fund is financed primarily through investment income generated from its fund assets, together with institutional contributions and other approved funding mechanisms. As the scholarship programme represents a long-term financial commitment, it is essential that the Trust Fund maintains adequate financial resources to ensure the uninterrupted payment of scholarships to beneficiaries.

In recent years, policy developments such as the increase in the Mahapola scholarship allowance and potential expansion of beneficiary numbers have increased the financial obligations of the Trust Fund. In this context, it is necessary to undertake an independent actuarial assessment of the long-term sustainability of the Mahapola Trust Fund.

Accordingly, the Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund (LAMHESTF) intends to engage a qualified Actuarial Consultancy to conduct a comprehensive actuarial valuation and long-term financial sustainability assessment of the Mahapola Trust Fund covering a period of Twenty-Five (25) years.

2.0. Objectives of the Assignment

The overall objective of the assignment is to evaluate the long-term financial sustainability of the Mahapola Trust Fund and determine whether the existing financial resources and revenue mechanisms are sufficient to support future scholarship obligations.

The specific objectives are to:

I. Assess the current financial position of the LAMHESTF.
II. Develop long-term actuarial models and financial projections of LAMHESTF.
III. Estimate the present value of future scholarship payment obligations.
IV. Evaluate the adequacy of current assets and revenue streams to meet future liabilities.
V. Identify potential funding gaps or sustainability risks.
VI. Recommend financial, policy, and investment strategies required to ensure the long-term sustainability of the LAMHESTF.

3.0. Scope of Work

3.1. Review of the Current Financial Position

The Consultancy Firm shall review and analyses the financial condition of the Trust Fund including:

I. Audited financial statements for the past 10 years.

II. Current asset base and investment portfolio.

III. Historical income sources including:

- Investment income.
- Institutional contributions.
- Other approved revenue sources.

IV. Historical scholarship payment expenditure for the past 10 years.

V. Administrative and operational costs of the Trust Fund.

3.2. Review of Scholarship Programme Parameters

The Consultancy Firm shall analyses the operational and financial structure of the Mahapola Scholarship Programme including:

I. Current scholarship allowance levels.

II. Number of beneficiaries by university and academic year.

III. Annual intake of new beneficiaries.

IV. Duration of scholarship payments.

V. Growth trends in beneficiary numbers.

VI. Administrative costs associated with the programme.

3.3. Development of Actuarial Valuation Model

The Consultancy Firm shall develop an actuarial model to estimate the future financial obligations of the Trust Fund. The model shall incorporate the following components:

I. Projected number of beneficiaries

II. Scholarship payment levels

III. Programme duration

IV. Administrative costs

V. Investment income projections

VI. Institutional contributions

VII. Other revenue streams

All actuarial assumptions used in the model shall be clearly documented and justified.

3.4. Long-Term Financial Projections

Using the actuarial model, the Consultancy Firm shall prepare financial projections for a period of Twenty-Five (25) years for LAMHESTF, including:

I. Annual projected income- In accordance with the investment policies and guidelines approved by the Central Bank of Sri Lanka.
II. Annual scholarship payment obligations
III. Administrative and operational costs
IV. Annual surplus or deficit projections
V. Projected fund balance over time

3.5. Net Present Value (NPV) and Liability Analysis

The Consultancy Firm shall estimate:

I. The present Value (NPV) of future scholarship payment obligations.
II. The present value of projected revenue and expenses streams.
III. The long-term funding gap or surplus.

3.6. Scenario and Sensitivity Analysis.

The Consultancy Firm shall conduct sensitivity analysis to evaluate the impact of changes in key assumptions, including:

I. Increase in scholarship allowance levels.
II. Increase in beneficiary numbers.
III. Changes in investment returns.
IV. Changes in institutional contributions.
V. Inflation and macroeconomic factors

3.7. Fund Depletion Analysis

The Consultancy Firm shall assess the risk of fund depletion by analyzing:

I. Whether the current asset base can sustain scholarship payments over the projection period.
II. The estimated year in which the fund may face liquidity or funding constraints under different scenarios.

3.8. Sustainability and Funding Requirement Assessment

Based on the actuarial analysis, the Consultancy Firm shall determine:

I. Minimum required annual funding levels.
II. Required contribution adjustments.
III. Investment performance requirements needed to maintain sustainability.

3.9. Policy and Financial Recommendations

The Consultancy Firm shall provide practical recommendations to LAMHESTF, including:

I. Strategies to ensure long-term sustainability of the Trust Fund.

II. Possible adjustments to scholarship programme parameters.

III. Investment management strategies.

IV. Risk management approaches.

V. Long-term financial planning measures.

VI. Restricting plan for the current investments

4.0. Deliverables

The Consultancy Firm shall submit the following deliverables.

4.1. Inception Report

Within two (02) weeks of commencement, the Consultany Firm shall submit an inception report including:

I. Understanding of the assignment.

II. Proposed methodology.

III. Data requirements

IV. Detailed work plan

4.2. Draft Actuarial Valuation Report

The Draft Report shall include:

I. Current financial analysis

II. Actuarial modelling methodology

III. Long-term financial projections

IV. Scenario analysis

V. Sustainability assessment

VI. Preliminary recommendations.

4.2. Final Actuarial Sustainability Reports

The Final Report shall incorporate all the comments and proposal received from LAMHESTF and the Report shall include:

I. Final actuarial valuation

II. Long-term sustainability assessment

III. Risk analysis

IV. Policy recommendations.

4.4. Presentation of Findings

The Consultancy Firm shall present the findings of the study to the Management and Board of Trustees of LAMHESTF.

5.0. Duration of the Assignment

The assignment is expected to be completed within 12 weeks from the date of signing the contract.

6.0. Qualifications

The Consultancy Firm or Firm shall meet the following qualifications:

I. Consultancy Firm Shall Employee at least one Qualified member of Professional Actuarial body (Recognized by the Insurance Regulatory commission of Sri Lanaka).

II. Minimum Three (03) years professional experience in actuarial analysis of pension funds, insurance funds, trust funds, or long-term financial sustainability studies.

III. Experience in public sector financial analysis will be considered an advantage.

7.0. Data and Information

LAMHESTF will provide access to relevant information including:

I. Audited financial statements.

II. Scholarship beneficiary data

III. Investment portfolio information

IV. Contribution records

V. Relevant policy documents.

8.0. Reporting and Coordination

The Consultancy Firm shall report directly to the Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund (LAMHESTF).

A designated officer from LAMHESTF will serve as the focal point for coordination.

9.0. Confidentiality

All information obtained during the course of the assignment shall be treated as strictly confidential and shall not be disclosed to any third party without the prior written approval of LAMHESTF.

10.0. Ownership of Documents

All reports, data analysis, Training and outputs produced under this assignment shall remain the property of the Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund (LAMHESTF).

11.0. Technical Evaluation Criteria

The selection of the Actuarial Consultancy Firm will be carried out based on Quality and Cost Based Selection (QCBS) method.

The technical proposals will be evaluated based on the following criteria.

No	Evaluation Criteria	Maximum Marks
1	Qualifications of the Consultancy Firm – Registration, membership in a recognized actuarial professional body, institutional profile	15
2	Relevant Experience of the Firm – Experience in actuarial valuation, financial modelling, pension fund analysis, trust fund sustainability studies or similar assignments	20
3	Experience in Similar Assignments – Demonstrated experience in long-term financial sustainability analysis for pension funds, insurance schemes, trust funds or similar institutions	20
4	Qualifications and Experience of Key Personnel – Lead Actuary and supporting team members including financial modelling experts	20
5	Proposed Methodology and Work Plan – Understanding of the assignment, actuarial modelling approach, projection methodology and work schedule	20
6	Presentation and Quality of the Proposal	5
	Total Marks	**100**

The submitted Expressions of Interest will be evaluated to identify qualified Consultancy Firm for shortlisting. Shortlisted Consultancy Firm will subsequently be invited to submit the Request for Proposals (RFP).

12.0. Proposal Submission Requirements

Interested firms shall submit Technical and Financial Proposals separately.

12.1. Technical Proposal

The Technical Proposal shall include the following:

1. Company / Firm Profile
2. Evidence of Professional Registration and membership in a recognized actuarial body.
3. Description of Relevant Experience in similar assignments.
4. Proposed Methodology for conducting the actuarial valuation and sustainability assessment.
5. Work Plan and Timeline
6. Details of Key Personnel, including:

- Lead Actuary
- Financial modelling specialists
- Supporting team members

7. Curriculum Vitae (CVs) of proposed experts
8. List of similar assignments completed during the past five (03) years

12.2. Financial Proposal

The Financial Proposal shall include:

I. Professional consultancy fees

II. Breakdown of costs including:

- Professional fees
- Data analysis and modelling costs
- Administrative expenses
- Taxes (if applicable)

The financial proposal shall clearly indicate the total lump sum cost for completing the assignment.

13.0. Payment Schedule.

Payments may be made based on the following milestones:

Milestone	**Payment**
Submission and acceptance of Inception Report	20%
Submission of Draft Actuarial Valuation Report	30%
Submission and acceptance of Final Report	30%
Presentation and completion of assignment	20%